

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

CD NO.

25X1

COUNTRY East Germany

DATE DISTR. 10 March 1955

SUBJECT Production of the Radio Plants Under the
Main Administration for Radio and
Telecommunications (HV RFT)

NO. OF PAGES 5 6

25X1

PLACE
ACQUIREDNO. OF ENCLS.
(LISTED BELOW)DATE OF
INFO.SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793
AND 794, OF THE U. S. CODE, AS AMENDED. ITS TRANSMISSION OR DIS-
CLOSURE OF ITS CONTENTS TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

1. On 28 August 1954, the Ministry of Machine Building informed [redacted] (Main Administration for Radio Techniques) of the new regulations and financial consultations. The enterprises were also notified that, effective that day, only one meeting would be held per month to settle both financial and production problems. This new arrangement was made to reduce the excessive amount of work of the managers who could no longer be expected to participate in two such meetings every month. [redacted] the electric equipment for ships included amplifier sets and other [redacted] 25X1
[redacted] former group in charge [redacted] and radio were
[redacted] group designated [redacted] technical deputy
chief of HV RFT, became chief of the [redacted] of Machine Building
assigned a sponsor to each RFT enterprise. In Department II sponsorships were taken
by the following persons:

Lange (fnu) of the Department of Research and Development for Funkwerk (FW)
Kopenick
Lehmann (fnu) of the Sales Department for FW Dabendorf
Wansky (fnu), commercial manager of HV RFT, for FW Koelleda
Kluge (fnu) of the Department of Material Supplies for FW Zittau
Markensien (fnu) of the Production Control Section for Fernmelde-Anlagenbau (FAB)
(Plant for Telecommunication Equipment) Rostock
Lange (fnu) of the Labor Department for FAB C. Lorenz AG, Leipzig
Hegemann (fnu), HV manager for FAB EFEM in Berlin-Schoeneweide.

During the first half of each month, the sponsors would visit the plants to
evaluate the resolutions passed at the last consultation and to arrange the next
council meeting to be held during the last two weeks of the month.

2. On 27 and 28 September 1954, at the council meeting of Department II of Ela-Radio
at the Ministry of Machine Building, the plant managers reported their activities
included:
- Fulfilment of the production quota to be broken down into the following figures:
The August production quota based on plant prices and units of account
Plan fulfilment since January
The annual quota compared to the output
The expected fulfilment of the current month
Major activities of the plant

25X1

SECRET

SECRET

- b. Export orders
 c. Government orders
 d. Consumer goods to include: Planned products, additional products and those products which exceeded the planning.
- The plants were represented by the following persons:

25X1

FW Koe [REDACTED]
 FW Koe [REDACTED]
 FW Dabendorf: Chief Accountant Moc (fnu)
 FW Zittau: Technical Manager Ziegler (fnu)
 FAB Rostock: Manager Peglow (fnu)
 FAB C. Lorenz AG, Leipzig: Manager Herpich (fnu)
 FAB EFEM, Berlin Schoeneweide, was not represented.

Members of HV RFT attending the meeting included: Andreas, Wansky, Lange of the Department of Research and Techniques, Lange of the Labor Department, Baehr (fnu) of the Department of Material Supplies functioning as deputy for Kluge (fnu), Marenzien of the Production Control Section, Braesemann (fnu), former manager of Plant II of FW Koepenick, as special representative for ship building and Bruetzman of the Sales Department. Financial problems discussed at the meeting included:

Plant products a. Sales profits
 b. Other results

Excessive stocks

Man power

Conditions of labor

Fulfilment of fiscal obligations

3. The build-up of the East German-Polish trade did not bring the expected results. East Germany was to be represented at the Warsaw Fair in late October 1954. A leading representative of the DIA stated that conferences to improve the East German-Polish trade were to be held at this fair.
4. The 1955 economic plan issued by the Ministry did not include any production control figures for the HV RFT plants. The plant merely requested a general increase of the production in percentages. In October 1954, the material supply to HV RFT enterprises was fairly satisfactory.

Comment. For a report on the production consultation held on 27 and 28 September 1954, see Annex.

25X1

25X1

SECRET

25X1

SECRET

25X1

APP. 001

25X1

Activity Reports Given by the Individual Enterprises at the Production Consultation of the Group for Electro Acoustics and Radio of HV RFT on 27 and 28 September 1954.

1. FAB Rostock.

Fulfilment of the August production quota according to plant prices and units of account: 93 percent
 Plan fulfilment from 1 January to 31 August: 93.6 percent
 Status of the annual production quota: 47.5 percent

The difference between the two last figures resulted from the fact that the production quota of the first eight months was much lower than that of the four last months. This, however, was still a poor figure. For September, it was expected that the monthly production quota would be 93 percent filled. FAB Rostock was seriously concerned about this sort of planning because the delivery of the instruments produced would have to be done in November and December, and because ship building, especially the production of refrigerator boats and passenger river barks, was far behind schedule. The production of pontoons for 15-ton floating cranes, however, was speeded up. No export orders were received. Only 60 percent of the government orders could be fulfilled, because the ships into which the instruments were to be installed were not ready. The plant had to face serious financial problems, because the Volkswerft Stralsund was in arrears 818,000 Eastmarks and Elbwerft 875,000 Eastmarks. FAB Rostock could not draw these amounts and was, therefore, in debt. The planned hiring of 60 new persons was cancelled because there were no vacancies as a result to the backlog in ship building.

2. FW Koepenick.

Fulfilment of the August production quota:

a. Plant prices 96.4 percent
 b. Units of account 87.1 percent
 Plant filling from 1 January to 31 August 1954:

a. Plant prices 74.2 percent
 b. Units of account 72.9 percent

Fulfilment of the annual production quota:

a. Plant prices 47.1 percent
 b. Units of account 47.2 percent

The production quota for navigational instruments could be fulfilled only 29.7 percent. The plan fulfilment figures differed also because of the low production quota fixed for the first months of the fiscal year. The September production quota was fixed at 110 percent. Except for one item, probably a radio beacon which could not be built because of a lack of copper cables, all government orders were filled. An electric coffee machine was to be included in the production of consumers goods, but because of material shortages, the series production could not be started before November. The supply of tubes met serious difficulties. There were no SRL 402 type tubes available for the production of ten 5kW transmitters. Non-available tubes for the new F 4 type

25X1

SECRET

25X1

25X1

Annex to

- 2 -

television transmitter included the types SRL 402, RS 526 and AV 1003.

25X1

Difficulties were encountered with the supply of MUG and MUG 220 transformers by the Junghans & Koll. Koepenick had a work force of 2,510 persons at a ratio of 1.76 to 1. The 1954 profit of the plant was 1,048,000 Eastmarks. By late August, however, the plant had a loss of 2.3 percent of the net profit. In 1954 it was scheduled to bring a profit of 3 percent.

3. FW Dabendorf.

Fulfilment of the August 1954 production quota:

a. Plant prices	72.3 percent
b. Units of account	89.1 percent
1 January to 31 August 1954	
a. Plant prices	29.2 percent
b. Units of account	31.7 percent
Annual production quota:	
a. Plant prices	58.2 percent
b. Units of account	58.8 percent

As a result of the backlog in ship building, the figures of the annual production quota differed from those of the actual planning. For September, the plant expected to fill the quota 16 to 17 percent according to plant prices and about 19 percent according to units of account. These very low figures were explained as follows:

of 25-W type units, which were ordered, while the plant of East Germany was producing urgent East German orders, the privately owned Ulrich Plant in Bernburg was ordered to produce at least 20 such units in 1954. By late September 1954, FW Dabendorf was to produce an experimental series of 20 100-W logger stations but only two units were actually completed by that date and only 50 percent of the required tools could be produced. The plant hoped to reduce the backlog by ordering prefabricated parts and some partially assembled units from FW Koepenick. The price of a logger station including spare parts kit came to 56,000 Eastmarks and 45,000 Eastmarks without the kit. By 31 August 1954, all export orders were completed. There was a backlog of government orders for SEA (or SIA) type transmitter units. It caused serious complaints at the meeting that, although only 29.2 percent of the 1954 production quota had been produced by 31 August, 32 percent of the fiscal budget had already been consumed. FW Dabendorf had filled only 10 percent of its financial plan.

4. FW Zittau.

Fulfilment of the August production quota:

a. Plant prices	101 percent
b. Units of account	111 percent
1 January to 31 August 1954:	
a. Plant prices	80 percent
b. Units of account	81 percent
Annual production quota:	
a. Plant prices	55.9 percent
b. Units of account	55.7 percent

25X1

SECRET

25X1

25X1

SECRET

Annex to

- 3 -

FW Zittau produced DF units primarily. The annual production quota was fixed at 52 units of which 11 had been produced. An additional seven sets to be completed by 30 September 1954 could not be delivered because there were no error corrector plates available. Further difficulties were encountered with the supply of electroacoustic units, because of a backlog of 5,500 electric motors to be produced by Sachsenwerk Radeberg. For September, it was expected that the quota would be filled to 95 percent according to plant prices and 105 percent according to units of account. By 31 August, all export and government orders could be completed. FW Zittau had a labor force of 803 persons at a production to administration ratio of 1 to 1.94.

5. FW Koelleda.

Fulfillment of the August production quota:

- | | |
|------------------------------|-----------------|
| a. Plant prices | 92.3 percent |
| b. Units of account | no figure given |
| 1 January to 31 August 1954: | |
| a. Plant prices | 88.9 percent |
| b. Units of account | no figure given |
| Annual production quota: | |
| a. Plant prices | 52.4 percent |
| b. Units of account | no figure given |

The plant expected a 100 percent fulfillment of the September production quota. Thirty-eight 4-W amplifiers ordered for export deliveries were completed on schedule. All government orders could be completed. By order of the Council of Ministers, FW Koelleda was to deliver the first series of 60 listening devices for deaf people by 30 September. These instruments, however, could not be delivered before 6 October, because the required "Knoechelhoerer" (bone conducting devices) were still being manufactured by the Karl Marx Stadt Geratwerk.

FW Koelleda had a very advantageous personnel ratio of 3.2 to 1 production to administration. At the meeting, however, Plant Manager Riemann (fnu), former technical chief of VVB RFT, had to admit that these figures were unfounded and that the actual ratio was only 2.9 to 1, and this for East Zone conditions was an unusually good ratio only because the economic and technical departments suffered from a serious lack of personnel; this in turn hampered the activities. In order to eliminate this handicap, new personnel would have to be hired. This again would drop the so-called good labor conditions. By 31 August 1954, the planned profit was short 813,000 Eastmarks.

25X1

6. C. Lorenz AG, Leipzig.

Herpich (fnu), the plant manager, had this position only for a short time and was, therefore, not able to give more than the following details. The production quota from 1 January to 31 August 1954 was fulfilled 93 percent. The September production was expected to fill about 85 percent of the monthly quota. By 31 August, all export orders received had been filled. In 1954, the major production of the plant involved 10 ultra long wave receivers.

At the meeting, Albrecht (fnu) deputy chief of the HV who replaced [redacted] because the latter was ill, stated that, by order of Minister [redacted] personnel was to be hired, and that the average work force for the last three months of 1954 was not to exceed that of September. Serious vacancies would have to be filled by changing the table of organization and transferring personnel from the administration to the production. Exceptions would be made only in extreme cases of necessity and would require a request forwarded to Minister Rau through the HV chief concerned. These orders were effective as of that day. Similar regulations, already announced during the summer of 1954, were not followed. However, no objections had been made at that time.

25X1

SECRET

25X1

Page Denied

REPORT

NO OF PAGES 6

FOUR ENCLS
LISTED BELOW:

**SUPPLEMENT TO
RE NO.**

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U. S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

25X1

1. On 28 August 1954, the Ministry of Machine Building informed the enterprises of MV RFT (Main Administration for Radio Techniques) of the new regulations for production and financial consultations. The enterprises were also notified that, effective that day, only one meeting would be held per month to settle both financial and production problems. This new arrangement was made to reduce the excessive amount of work of the managers who could no longer be expected to participate in two such meetings every month. Since the electric equipment for ships included amplifier sets and other RFT products, the former group in charge of electric acoustics (Ela) and radio were combined in one group designated ~~Ela~~-Radio. ~~several~~ ^{newly} ~~andreas~~. former technical deputy chief of HV RFT, became chief of this new group. The Ministry of Machine Building assigned a sponsor to each RFT enterprise. In Department II sponsorships were taken by the following persons:

Lange (fnu) of the Department of Research and Development for Funkwerk (FW)
Koeppenick
Lehmann (fnu) of the Sales Department for FW Dabendorf
Wansky (fnu), commercial manager of HW RFT, for FW Koellada
Kluge (fnu) of the Department of Material Supplies for FW Zittau
Markenzian (fnu) of the Production Control Section for Fernmelde-Anlagenbau (FAB)
(Plant for Telecommunication Equipment) Rostock
Lange (fnu) of the Labor Department for FAB C. Lorenz AG, Leipzig
Hegemann (fnu), HV manager for FAB KPT in Berlin-Schöneberg

During the first half of each month, the sponsors would visit the plants to evaluate the resolutions passed at the last consultation and to arrange the next council meeting to be held during the last two weeks of the month.

2. On 27 and 28 September 1954, at the council meeting of Department II of Fla-Radio at the Ministry of Machine Building, the plant managers reported their activities included:
- a. Fulfilment of the production quota to be broken down into the following figures:
- The August production quota based on plant prices and units of account
- Plan fulfilment since January
- The annual quota compared to the output
- The expected fulfilment of the current month
- Major activities of the plant

CLASSIFICATION SECRET/

SECRET

STATE	X	NAVY	X	NSRB	DISTRIBUTION							
ARMY		AIR	X	FBI							ORR IV	X

25X1

SECRET

25X1

25X1

- 25 Export orders
 25 Government orders
 25 Consumer goods to include: Planned products, additional products and those products which exceeded the planning.
 The plants were represented by the following persons:

FW Koepenick: Manager Paul Bßer and Erich Schlemminger
 FW Kollada: Manager Riemann (fnu)
 FW Dabendorff: Chief Accountant Moc (fnu)
 FW Zittau: Technical Manager Ziegler (fnu)
 FAB Rostock: Manager Peglow (fnu)
 FAB C. Lorenz AG, Leipzig: Manager Herpich (fnu)
 FAB EFEM, Berlin Schoeneweide, was not represented.

Members of HV RFT attending the meeting included: Andreas, Wansky, Lange of the Department of Research and Techniques, Lange of the Labor Department, Baehr (fnu) of the Department of Material Supplies functioning as deputy for Kluge (fnu), Marenzien of the Production Control Section, Braesemann (fnu), former manager of Plant II of FW Koepenick, as special representative for ship building and Bruetzman of the Sales Department. Financial problems discussed at the meeting included:

Plant products a. Sales profits
 b. Other results

Excessive stocks

Man power

Conditions of labor

Fulfillment of fiscal obligations

3. The build-up of the East German-Polish trade did not bring the expected results. East Germany was to be represented at the Warsaw Fair in late October 1954. A leading representative of the DIA stated that conferences to improve the East German-Polish trade were to be held at this fair.
4. The 1955 economic plan issued by the Ministry did not include any production control figures for the HV RFT plants. The plant merely requested a general increase of the production in percentages. In October 1954, the material supply to HV RFT enterprises was fairly satisfactory.

Comment. For a report on the production consultation held on 27 and 28 September 1954, see Annex.

25X1

SECRET

25X1

SECRET

25X1

SECRET
NOFORN

Annex to

Activity Reports Given by the Individual Enterprises at the Production Consultation of the Group for Electro Acoustics and Radio of HV RFT on 27 and 28 September 1954.1. FAB Rostock.

Fulfilment of the August production quota according to plant prices and units of account: 93 percent
 Plan fulfilment from 1 January to 31 August: 93.6 percent
 Status of the annual production quota: 47.5 percent

The difference between the two last figures resulted from the fact that the production quota of the first eight months was much lower than that of the four last months. This, however, was still a poor figure. For September, it was expected that the monthly production quota would be 93 percent filled. FAB Rostock was seriously concerned about this sort of planning because the delivery of the instruments produced would have to be done in November and December, and because ship building, especially the production of refrigerator boats and passenger river barks, was far behind schedule. The production of pontoons for 15-ton floating cranes, however, was speeded up. No export orders were received. Only 60 percent of the government orders could be fulfilled, because the ships into which the instruments were to be installed were not ready. The plant had to face serious financial problems, because the Volkswerft Stralsund was in arrears 818,000 Eastmarks and Elbwerft 875,000 Eastmarks. FAB Rostock could not draw these amounts and was, therefore, in debt. The planned hiring of 60 new persons was cancelled because there were no vacancies as a result to the backlog in ship building.

2. FW Koepenick.

Fulfilment of the August production quotas

a. Plant prices 96.4 percent
 b. Units of account 87.1 percent
 Plant filling from 1 January to 31 August 1954:

a. Plant prices 74.2 percent
 b. Units of account 72.9 percent

Fulfilment of the annual production quota:

a. Plant prices 47.1 percent
 b. Units of account 47.2 percent

The production quota for navigational instruments could be fulfilled only 29.7 percent. The plan fulfilment figures differed also because of the low production quota fixed for the first months of the fiscal year. The September production quota was fixed at 110 percent. Except for one item, probably a radio beacon which could not be built because of a lack of copper cables, all government orders were filled. An electric coffee machine was to be included in the production of consumer goods, but because of material shortages, the series production could not be started before November. The supply of tubes met serious difficulties. There were no SRL 402 type tubes available for the production of ten 5kW transmitters. Non-available tubes for the new F 4 type

SECRET
NOFORN

SECRET

25X1

1954

25X1

Annex to

television transmitter included the types SRL 402, RS 526 and AV 1 UNCODED

25X1

Difficulties were encountered with the supply of MUG 240 and MUG 220 transformers by the Junghans & Kollosche Firm in Leipzig. Funkwerk Koepenick had a work force of 2,510 persons at a production to administration ratio of 1.76 to 1. The 1954 profit of the plant was estimated at 1,048,000 eastmarks. By late August, however, there was a loss of 775,000 eastmarks. Funkwerk Koepenick, a plant moderately supported by government subsidies, had been included in the 1953 planning with a loss of 2.3 percent of the net profit. In 1954, it was scheduled to bring a profit of 3 percent.

3. FW Dabendorf.

Fulfillment of the August 1954 production quotas:

a. Plant prices	72.3 percent
b. Units of account	89.1 percent
1 January to 31 August 1954	
a. Plant prices	29.2 percent
b. Units of account	31.7 percent
Annual production quotas:	
a. Plant prices	58.2 percent
b. Units of account	58.8 percent

As a result of the backlog in ship building, the figures of the annual production quota differed from those of the actual planning. For September, the plant expected to fill the quota 16 to 17 percent according to plant prices and about 19 percent according to units of account. These very low figures were explained as follows: FW Dabendorf, which was primarily involved in the production of 25-W transmitter and receiver units, could deliver products only on export orders, while the government orders could not be filled because the radio network of East Germany required modifications on the sets. In order to fill the most urgent East German requirements, the privately owned Ulrich Plant in Bernburg was ordered to produce at least 20 such units in 1954. By late September 1954, FW Dabendorf was to produce an experimental series of 20 100-W logger stations but only two units were actually completed by that date and only 50 percent of the required tools could be produced. The plant hoped to reduce the backlog by ordering prefabricated parts and some partially assembled units from FW Koepenick. The price of a logger station including spare parts kit came to 56,000 eastmarks and 45,000 eastmarks without the kit. By 31 August 1954, all export orders were completed. There was a backlog of government orders for 25A (or 21A) type transmitter units. It caused serious complaints at the meeting that, although only 29.2 percent of the 1954 production quota had been produced by 31 August, 32 percent of the fiscal budget had already been consumed. FW Dabendorf had filled only 10 percent of its financial plan.

4. FW Sittau.

Fulfillment of the August production quotas:

a. Plant prices	101 percent
b. Units of account	111 percent
1 January to 31 August 1954:	
a. Plant prices	80 percent
b. Units of account	71 percent
Annual production quotas:	
a. Plant prices	71 percent
b. Units of account	67 percent

SECRET

25X1

SECRET

Annex 1
UNCODED

25X1

- 3 -

FW Zittau produced DF units primarily. The annual production quota was fixed at 52 units of which 11 had been produced. An additional seven sets to be completed by 30 September 1954 could not be delivered because there were no error corrector plates available. Further difficulties were encountered with the supply of electroacoustic units, because of a backlog of 5,500 electric motors to be produced by Sachsenwerk Radeberg. For September, it was expected that the quota would be filled to 95 percent according to plant prices and 105 percent according to units of account. By 31 August, all export and government orders could be completed. FW Zittau had a labor force of 803 persons at a production to administration ratio of 1 to 1.94.

5. FW Koellada.

Fulfillment of the August production quota:

- | | |
|------------------------------|-----------------|
| a. Plant prices | 92.3 percent |
| b. Units of account | no figure given |
| 1 January to 31 August 1954: | |
| a. Plant prices | 88.9 percent |
| b. Units of account | no figure given |
| Annual production quota: | |
| a. Plant prices | 52.4 percent |
| b. Units of account | no figure given |

The plant expected a 100 percent fulfillment of the September production quota. Thirty-eight 4-W amplifiers ordered for export deliveries were completed on schedule. All government orders could be completed. By order of the Council of Ministers, FW Koellada was to deliver the first series of 60 listening devices for deaf people by 30 September. These instruments, however, could not be delivered before 6 October, because the required "Knoechelhoerer" (bone conducting devices) were still being manufactured by the Karl Marx Stadt Geraetewerk.

FW Koellada had a very advantageous personnel ratio of 3.2 to 1 production to administration. At the meeting, however, Plant Manager Riemann (fnu), former technical chief of VVB RFT, had to admit that these figures were unfounded and that the actual ratio was only 2.9 to 1, and this for East Zone conditions was an unusually good ratio only because the economic and technical departments suffered from a serious lack of personnel; this in turn hampered the activities. In order to eliminate this handicap, new personnel would have to be hired. This again would drop the so-called good labor conditions. By 31 August 1954, the planned profit was short 813,000 Eastmarks.

6. C. Lorenz AG, Leipzig.

Herpich (fnu), the plant manager, had this position only for a short time and was, therefore, not able to give more than the following details. The production quota from 1 January to 31 August 1954 was fulfilled 93 percent. The September production was expected to fill about 85 percent of the monthly quota. By 31 August, all export orders received had been filled. In 1954, the major production of the plant involved 10 ultra long wave receivers.

7. At the end of the meeting, Albrecht (fnu) deputy chief of the HV who replaced Adolf Hasemann because the latter was ill, stated that, by order of Minister Rau no new personnel was to be hired, and that the average work force for the last three months of 1954 was not to exceed that of September. Serious vacancies would have to be filled by changing the table of organization and transferring personnel from the administration to the production. Exceptions would be made only in extreme cases of necessity and would require a request forwarded to Minister Rau through the HV chief concerned. These orders were effective as of that day. Similar regulations, already announced during the summer of 1954, were not followed. However, no objections had been made at that time.

SECRET

25X1

Page Denied